who will be rendered surplus from the Akbar Hotel will be absorbed by the ITDC in their hotels in Delhi.

SHRI H. K. L. BHAGAT: Sir, I would like to begin with my reply to the question the hon. Member has put about the profit. This is what he said· "is the profit of the ITDC minus the duty free shop?" The answer is "yes". I can sit with the hon. Member and give the entire turnover of the year and the profit of the year. (*Interruptions*). I must say, in school days I was very bad in figure work. If I had become a Chartered Accountant, I would have fared very badly, but I have the figures and I can sit with the hon. Member. If he likes I can give the entire turnover for each I.T.D.C. Hotel minus profit.

SHRI JASWANT SINGH· I do not want the turnover of each of the item.

MR. CHAIRMAN: He is answering. If he does not, I will help you.

SHRI H. K. L. BHAGAT: I have the information. I request you to come and I will give you all the information.

MR. CHAIRMAN: Please address the Chair, not the Member.

SHRI H. K. L. BHAGAT: He asked me about the employees of the Akbar Hotel. In this connection I can say that we have asked the External Affairs Ministry to absorb as many of them as they can. And those who are left, when they leave their job, whatever is available to them under the Industrial Disputes Act will be given to them. Thirdly, in addition to what I have stated, the ITDC plan is to absorb them in their hotels or in other new projects so that no one is left behind.

MR. CHAIRMAN: You are all detouring very much outside the main question. Therefore, I go to the next question.

RBI study on bank services

*124. SHRI YALLA SESI BHUSHANA RAO:†
MISS SAROJ KHAPARDE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news report published in the Hindustan Times of the 12th February, 1986 about the observation made by the Reserve Bank of India regarding the unsatisfactory bank services extended to customers;

(b) if so, what are the details of the study made; and

(c) what steps are proposed to be taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) A statement is laid on the Table of the House.

Statement

In the context of the stress laid by Government and the Reserve Bank on the need for concerted action on the part of the banks to improve customer service, the latter had undertaken a survey aimed at assessing deficiencies in the quality of customer service in banks' branches. The survey revealed short-comings such as delayed opening of counters in some cases, delay in encashment of cheques or issue of cheque books and issue of drafts, and staff being unaware of instructions regarding collection of outstation cheques and introduction of nomination facilities.

†The question was actually asked on the floor of the House by Shri Yalla Sesi Bhushana Rao.

2. Government and Reserve Bank of India have asked the banks to implement various measures for improving customer service. These include ensuring observance of discipline and punctuality, evolving and displaying time norms for rendering of routine services, introducing measures for faster collection of outstation cheques, immediate crediting of outstation cheques upto Rs. 2500/-, allowing interest at Saving Banks rates for collection delays beyond 28 days, making Customer Service an integral part of training programmes, organising internal machinery for redressal of grievances and increasing contact between bank executives at various levels with customers. Customers' Service Centres have also been organised at Delhi and all State Capitals so as to enable customers to bring their grievances to the notice of Senior Officers in the Banks and secure speedier redressal. Banks have also been asked to organise surprise visits to branches by the senior executives to have an on the spot study of the quality of service rendered by the branches to customers.

3. In the context of the survey, Reserve Bank of India has advised all Chief Executives of Banks to ensure that all instructions reach branches expeditiously and branch managers ensure that their officials are adequately conversant with instructions issued in the matter by the Government and Reserve Bank of India. Banks have been advised that personal visits of senior officers to branches may be considered specifically for studying related aspects of Customer Service as distinct from routine inspection visits.

SHRI YALLA SESI BHUSHANA RAO: As per the Report of the Reserve Bank there is delay in opening the banks and the counters are left unattended. In this Statement the Government reply is that on the spot study also has been instructed. I would like to know what are the banks that have made on-the-spot studies. Still, unsatisfactory conditions are prevailing in so many banks. Can the Hon. Minister tell what are the checks they have made as a result of the recent instructions and how many suspensions have been made in the banks? The Survey Report also says that the banks have the nomination facilities. This is another sensitive area. Till September 1985 the banks had not implemented this. I would like to know the details of the nomination facilities and also why this provision has not been implemented for such a long period.

SHRI JANARDHAN POOJARI: The Government is aware of the deficiencies in the working of the banking sector, particularly in their service to their customers. That is why the hon. Minister has taken this area as a special attention area in order to improve the service to the customers.

As I have stated in my main reply, we have taken a number of measures which include reducing the delay in collection of cheques and also ensuring discipline and punctuality. Not only that, we have also taken steps to see if the crediting of the interest is delayed beyond four weeks, the bank will give credit to them so far as the interest is concerned.

The National Council of Applied Economic Research has conducted a study after overtaking all these steps. It says, in the Customer Service Centres 76 per cent of the complaints were found to have been settled within a month. 63 per cent of the complainants, whose cases were settled, indicated that they were satisfied with the solution offered by the banks. Among the complainants, whose complaints were rectified to their satisfaction, 68.9 per cent felt that the scheme was useful. So, instructions have been issued to all the banks and they are implementing the norms. Sir, with regard to fraud, deficiencies and irregularities we have taken action. About 27 persons were convicted, 187 persons services were ter-

minated for major irregularities and against 200 persons action has been taken for minor and other penalities, Sir...

MR. CHAIRMAN: Mr. Minister you are extending the scope of the reply unnecessarily and you will get into trouble.

SHRI YALLA SESI BHUSHANA RAO: My second question is that there is a widespread delay in granting loans to the weaker sections under various schemes. Whether the Reserve Bank of India and the Government are aware of corrupt practices in granting loans to the weaker sections? Whether RBI and the Government are prepared to survey such lapses in distributing loans to the weaker sections?

SHRI JANARDHAN POOJARI: Sir, regarding distribution of loans to the weaker sections we have reached the target of Rs. 4,844 crores.

SHRI P. N. SUKUL: Mr. Chairman, Sir, in the statement containing the reply of the Government, it is given that the Government of India and the Reserve Bank of India have asked the banks *inter alia* to introduce measures for fast collection of outstation cheques and immediate crediting of cheques upto Rs. 2,500 Sir, delay in the collection of outstation cheques results in the loss of interest to the customers.

So whether the Government would take some action to pay interest on the amounts of outstation cheques from the date of the deposit of the cheques instead of date of clearance of outstation cheques? Sir, if the clearance of cheques takes one month or even two months then the customer would lose the interest. For example, in my own case one outstation cheque was cleared after two months. Therefore, why should I lose interest on the outstation cheque which I have already deposited with the bank?

Sir, the second part of my question relates to the interest on savings bank account. The interest paid on saving bank at present is 5 per cent. For ages it has been 5 per cent. In view of the steep price rise and all that whether the Government would consider an upward revision of the interest in the case of savings bank accounts also?

SHRI VISHWANATH PRATAP SINGH: Sir, regarding interest, my colleague has already mentioned that if there is a delay of one month or four weeks, interest would be given. So Mr. Sukul will not lose interest for two months. But after one month he will be given interest.

Sir, regarding payment of more interest on savings bank account, the hon. Member would appreciate that the savings bank account has got the facility to deposit and withdraw at any time. So the savings bank interest rate cannot be compared with the fixed deposits interest rate. The differential in the interest rate will be there.

SHRI P. N. SUKUL: I did not compare the interest rates between the savings bank and fixed deposit accounts.

SHRI VISHWANATH PRATAP SINGH: Well that is a suggestion, I have noted.

PROF. C. LAKSHMANNA: Mr. Chirman. Sir, the Minister in his own statement said that one of the points raised by the survey is regarding the introduction of nomination facilities for customers of the banks. It is my information that this facility had not been implemented even as late as September, 1985. I would like to ask the Minister specifically as to when this facility will be given for the customers?

SHRI VISHWANATH PRATAP SINGH: Sir, one thing I would like to make is clear to the hon. Members that this report relates to the period between July and August, 1985. After that we have taken several measures

which we have already implemented. Rgarding introduction of nomination facilities, I do not have the information available with me readily. However, I will pass on the information to the hon. Member.

SHRI N. K. P. SALVE: Sir, the Finance Minister has engaged himself in an untiring crusade, *inter alia*, cleansing the public sector from corruption and inefficiency. For that he deserves congratulations. In that process I would like to know from him that in India why the banks take one month, one-and-half-a-month, and two months to clear a cheque from a different city? In the USA I am told that if a person gives a cheque in one city it is encashed within 24 hours, and it is credited. Why can't we evolve some system that at least in three days time, cheque should be encashed. We are entering the 21st century. We have all the modern gadgets available with us. Why can't we evolve some suitable system?

SHRI LAL K. ADVANI: Sir, he speaks about 21st century although he is a man of 19th century.

SHRI N. K. P. SALVE: I can dispel the apprehension of my friend, Mr. Advani, that whatever else may happen, I certainly will not have a calamity of going into 21st century. But Sir, for the number of days that I live in this very century. I will be very happy if a cheque given in Delhi and sent to Nagpur should be encashed at least in three days' time. What is the difficulty? Sir, can I get a categorical answer from the Minister?

SHRI VISHWANATH PRATAP SINGH: Sir, in this regard, one of the decisions that has been taken is to make use of Courier services because postal delays etc. would be cut off by Courier Services. Then the internal work norms, clearance of outstations cheques etc. that we have been streamlining and I think, that has not as yet come to our satisfaction or to the satisfaction of the customers but there is improvement. Then we have also ensured regular posting of persons in despatch sections. This is an internal housekeeping and these measures will improve the internal housekeeping and these various steps that are being taken will ensure improvement. Also we are going into computerisation in various areas and I think, this will go to improve the things.

SHRI SUKOMAL SEN: Sir, while replying to the main supplementary, the Minister of State for Finance, Mr. Poojari was saying that one of the measures for improvement of the customers services in the banks was disciplinary action against 200 employees. (*Interruption*).

MR. CHAIRMAN: You are getting into trouble by expanding the answer.

SHRI SUKOMAL SEN: No, Sir. It is very good that the Minister has taken some steps to improve the service.

MR. CHAIRMAN: No, this relates to satisfactory banks customers service. No.

SHRI SUKOMAL SEN: Sir, I am just putting the question.

MR. CHAIRMAN: No, your question is disallowed. I allowed you an opportunity but you put a wrong question. It has now been disallowed. Mr. Ramachandran, please put a question.

SHRI M. S. RAMACHANDRAN: Mr. Chairman, Sir, thanks to the Reserve Bank of India that they have at least now found that the customer service needs to be improved but I feel that various instructions given by the Reserve Bank and the Ministry have not percolated to the branch level and there is no indication that they have got any instructions and that they are trying to improve their standard of customer services. Regarding the nomination, no instructions have been received as yet and nothing has been done. With

regard to rate of iterest in case of delay beyond 28 days, I would like to bring it to the notice of the hon'ble Minister that this delay is not due to lack of postal services or transport but it is due to utter inefficiency and carelessness on the part of the staff concerned. Therefore, the interest which has to be charged is only a nominal savings bank rate and not the regular interest, whether it is going to be the liability on the bank or is it going to be charged against the concerned people by whom the delay is caused?

SHRI JANARDHAN POOJARI: Sir, so far as nomination facilities are concerned, we are going to implement them and I assure the hon'ble Member that they will be implemented. Now, coming to the service charges, a suggestion has been made that for the deficiencies that were found, bank people or bank officials should be charged. We will take note of this suggestion.

Occupancy rate of different Ashok Hotels in the Country

*125. DR. LOKESH CHANDRA:† SHRIMATI KRISHNA KAUL:

Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state:

(a) whether the Ashoka Hotels at Kovalam Beach (Kerala), Varanasi, Khajuraho, Madurai, Bhubaneswar, Aurangabad and Hassan showed an occupany rate of less than 50 per cent for the period April, 1985 to January, 1986; and

(b) if so, what steps Government propose to take to increase their occupancy rates?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT): (a) and (b) A statement is laid on the Table of the Sabha.

Statement

Except for the occupancy rate of Hotel Aurangabad Ashok, Aurangabad the occupancy rates of other hotels in question were less than 50 per cent during the period from April, 1985 to January, 1986.

Steps taken by ITDC to increase the occupancy rates of these hotels are as under:—

Marketing and Reservation tie-ups abroad of ITDC hotels for chain use by foreign tourists;

Setting up of ITDC's own Travel Agency;

Grant of additional discount to local companies, Travel Agents, Public Sector Undertakings, etc.;

Introduction of cheap packages for domestic clientele;

Promotion of ITDC properties in overseas market through participation in the Travel Trade fora;

Product improvement, etc.

†The question was actually asked on the floor of the House by Dr. Lokesh Chandra.